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Signed and Filed: November 15, 2005

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

In re

Case No. 05-30145 TEC
Case No. 05-30146 TEC

FIRST VIRTUAL COMMUNICATIONS,
INC.,

Jointly Administered Chapter 11 Cases

Debtor.

**ORDER SUBSTANTIVELY
CONSOLIDATING ESTATES OF
CHAPTER 11 DEBTORS**

In re

CUseeMe NETWORKS, INC.

Debtor.

DATE: November 14, 2005
TIME: 9:30 a.m.
PLACE: U.S. Bankruptcy Court
235 Pine Street,
San Francisco, CA 94104
JUDGE: Hon. Thomas E. Carlson

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1 A hearing was held on November 14, 2005 at 9:30 a.m. (the "Hearing") on
2 the *Motion to Substantively Consolidate Estates of Chapter 11 Debtors* (the "Motion")
3 filed by First Virtual Communications, Inc. ("FVC") and CUseeMe Networks, Inc.
4 ("CUseeMe," collectively with FVC, the "Debtors"), the debtors in the above-captioned
5 Chapter 11 cases, and the Official Committee of Unsecured Creditors appointed in the
6 Chapter 11 cases (the "Committee"). Appearances of parties at the Hearing were noted
7 on the record. The Court has considered the Motion, as well as the *Declaration of*
8 *Gregory Sterling in Support of Motion to Substantively Consolidated Estates of Chapter*
9 *11 Debtors* (the "Declaration"), the records on file in these Chapter 11 cases and the
10 evidence and argument of counsel presented at the Hearing. Based upon these
11 considerations, the Court, in addition to making findings of fact and conclusions of law
12 stated orally on the record at the Hearing, finds and concludes that substantively
13 consolidating the estates of the Debtors is in the best interests of each estate. Based on
14 these findings of fact and conclusions of law, and good cause appearing therefor, IT IS
15 HEREBY ORDERED, AND NOTICE IS HEREBY GIVEN, THAT:

16 1. All assets of FVC and CUseeMe shall be deemed merged and
17 treated as though they were held by a single entity, and all liabilities of FVC and
18 CUseeMe shall be treated as though they were owed by a single entity, for all purposes
19 related to the *First Amended Joint Chapter 11 Plan of Reorganization* or any other
20 proposed plan of reorganization (each a "Plan"), including, but not limited to, voting,
21 confirmation, and distribution. No distributions shall be made under the Plan on account
22 of any Intercompany Claim. Any and all obligations of FVC arising from guarantees of
23 CUseeMe's liabilities, and any and all obligations of CUseeMe arising from guarantees of
24 FVC's liabilities, shall be deemed eliminated so that any Claim against one of the Debtors
25 and any guarantee thereof executed by the other Debtor and any joint or several liability
26 of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors,
27 and each and every Claim filed or to be filed in the Chapter 11 Cases shall be deemed
28 filed against the consolidated Debtors. Such substantive consolidation shall not (other

1 than for purposes related to the Plan) affect the legal and corporate structures of the
2 Debtors.

3 2. Effectiveness of Order. Notwithstanding Bankruptcy Rules 3020(e) or
4 7062 or any other provision of the Bankruptcy Code and Bankruptcy Rules, this Order
5 shall be effective immediately upon its entry.

6
7 APPROVED AS TO FORM:

8 **SULMEYERKUPETZ**
9 A Professional Corporation

10 By: /s/ Christopher Alliotts
11 Christopher Alliotts
12 Attorneys for the Official Committee
13 of Unsecured Creditors

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22 Debtors and Debtors in Possession

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25 By: /s/ Martin J. Brill
26 Martin J. Brill
27 Attorneys for U.S. Dry Cleaning Corp.

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*** END OF ORDER ***

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